

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 97-131-W - ORDER NO. 1999-625
SEPTEMBER 2, 1999

IN RE: Application of Sigfield Water Company for)	ORDER APPROVING
Approval of an Increase in its Rates and)	AGREEMENTS AND
Charges for Water Service.)	CANCELLING
)	REHEARING

This matter comes before the Public Service Commission of South Carolina (the Commission) pursuant to a rehearing of a rate case filed by Sigfield Water Company, Inc. (Sigfield or the Company), said rehearing having been ordered in Order No. 1999-395, and for the consideration of approval of a management agreement, pursuant to Order No. 1999-484. Prior to the rehearing, it was announced that an agreement had been reached between the Company and the Consumer Advocate for the State of South Carolina (the Consumer Advocate). We have examined the agreement, and, because of the reasoning stated below, we approve the agreement, and make it a part of our Order in this case. It is attached to this Order as Exhibit 1. The agreement is also summarized below.

First, the parties have agreed that this Commission should approve the management agreement between the Company and Sumter Reforestation, Inc. and/or Harold A. Sigmon, Sr. for the operations of the Company. The approval of this agreement will increase the Company's test year expenses by an additional \$9,600 over and above the expense of \$2,400 approved by the Commission in its Order No. 1999-281. The

Consumer Advocate agrees that the proposed terms of the agreement and the compensation called for are reasonable for the purpose of setting rates in this case. We concur, and approve the agreement.

Second, the parties agree that this Commission should remove expenses from its decision in Order No. 1999-281 related to income taxes in the amount of \$3,602 based on the Company's status as a Subchapter-S corporation. We agree for purposes of this case.

Third, the parties agree that the Commission should approve commercial tap fees for the Company in the amount of \$500 for both $\frac{3}{4}$ inch taps and for 1 inch taps. The parties further agree that the Commission should approve commercial base rates of \$83.00 per month for a $\frac{3}{4}$ inch tap and \$123.00 for a one inch tap. Both base rates will include no water usage. The Company and the Consumer Advocate also agreed on usage rates. We concur.

Next, the parties agree that this Commission should approve residential flat rates of \$34.00 per month. The Company and the Consumer Advocate finally agree that all other adjustments adopted by the Commission in Order No. 1999-281 shall remain in force. We agree with both propositions, and hold accordingly.

In approving the agreement submitted by Sigfield and the Consumer Advocate, we must also hold that the findings in this Order and our approval of the agreement are not to be taken as precedential in future cases, but are only applicable for the circumstances of this particular case. Adjustments and policy reasons therefore must be considered on a case-by-case basis.

CALCULATION OF OPERATING MARGIN

Considering the changes as described above and the remaining adjustments made in Order No. 1999-281, the operating margin may be calculated as follows:

Operating Revenue	\$36,640
Total Expenses	<u>27,611</u>
Net Operating Income	9,029
Customer Growth	62
Net Income for Return	<u>9,091</u>
Operating Margin	<u>19.24%</u>
(calculated using interest expense of \$2,042)	

Accordingly, we approve an operating margin in this case of 19.24%, based on the figures stated above.

The rates and charges as discussed above are hereby approved and incorporated in Appendix A, attached to this Order. Further, the rehearing set for September 1, 1999 is hereby cancelled, in view of this agreement and our approval of it.

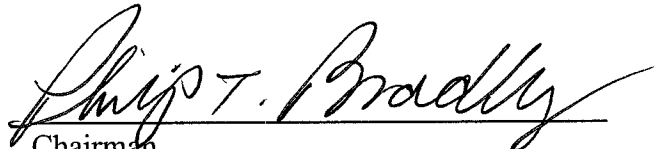
IT IS THEREFORE ORDERED:

1. The schedule of rates and charges as listed in Appendix A are hereby declared just and reasonable, and are approved for service rendered on or after the date of this Order. This schedule is deemed filed with the Commission pursuant to S.C. Code Ann. Section 58-5-240 (Supp. 1998).

2. The Company shall maintain its books and records in accordance with the NARUC Uniform System of Accounts as adopted by this Commission.

3. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

STATE OF SOUTH CAROLINA
BEFORE THE PUBLIC SERVICE COMMISSION

DOCKET NO. 97-131-W

IN THE MATTER OF:)	
)	
Sigfield Water Company, Inc)	
Application for a New Schedule of)	AGREEMENT
Water Rates and Charges)	
_____)	

WHEREAS, the Parties to this Agreement are Sigfield Water Company, Inc. (Sigfield or Company) and Philip S. Porter, Consumer Advocate for the State of South Carolina (Consumer Advocate), and are collectively referred to herein as the "Parties";

WHEREAS, the Parties represent all the parties of record in Docket No. 97-131-W apart from the Staff of the South Carolina Public Service Commission;

WHEREAS, in its Application in this proceeding, Sigfield has applied for an increase in its rates and charges for the provision of water service to its customers in Clarendon County, South Carolina;

WHEREAS, a hearing was held on this matter on March 11, 1999;

WHEREAS, the Commission issued its Order No. 1999-281, dated April 20, 1999 in which it approved certain rate increases for the Company;

WHEREAS, the Parties each filed a Petition with the Commission seeking a rehearing and/or reconsideration of the Commission's decision in Order No. 1999-281;

WHEREAS, by its Order No. 1999-395, dated June 7, 1999, the Commission granted a rehearing in this matter, and has subsequently scheduled the rehearing for September 1, 1999;

WHEREAS, On May 19, 1999, Sigfield filed an Application with the Commission seeking approval of a Management Agreement between the Company and Sumter Reforestation, Inc. (SRI) and/or Harold A. Sigmon, Sr., which calls for the Company to pay monthly payments of \$1,000 to SRI for the operation of the Company;

WHEREAS, the Commission, by its Order No. 1999-484, date July 7, 1999, found that the review of this request would be conducted at the same time as the scheduled rehearing in the above-captioned matter;

NOW THEREFORE THE PARTIES HERETO do hereby covenant and agree as follows:

1. The Parties agree that the Commission should approve the proposed Management Agreement between the Company and Sumter Reforestation, Inc. and/or Harold A. Sigmon, Sr. for the operations of the Company. The approval of this agreement will increase the Company's test year expenses by an additional \$9,600 over and above the expense of \$2,400 approved by the Commission in its Order No. 1999-281. The Consumer Advocate agrees that the proposed terms of the agreement and the compensation called for are reasonable for the purpose of setting rates in this case.

2. The Parties agree that the Commission should remove expenses from its decision in Order No. 1999-281 related to income taxes in the amount of \$3,602 based on the Company's status as a Subchapter S Corporation, which is not subject to income tax liability.

3. The Parties agree that the Commission should approve commercial tap fees for the Company in the amount of \$500 for both ¾ inch taps and for 1 inch taps.

4. The Parties agree that the Commission should approve commercial base rates of \$83.00 per month for a ¾ inch tap and \$123.00 for a one inch tap. Both base rates will include no water usage. Usage rates will be charged as follows:

1 st 2000 gallons _____	\$3.00/m
2000 to 5000 gallons _____	\$3.18/m
All over 5000 gallons _____	\$3.35/m

5. The Parties agree that the Commission should approve residential flat rates of \$34.00 per month.

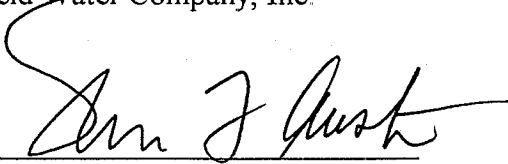
6. The Parties agree that, for purposes of this settlement, all other adjustments adopted by the Commission in its Order No. 1999-281 shall remain in force.

7. The Parties jointly request that the Commission approve this agreement in its entirety, and cancel the hearing set for September 1, 1999 in this matter. Should the Commission reject any part, this Agreement shall be null and void, at the option of either party, by notifying the other party in writing within 30 days of the Commission's final rejection of any part of this Agreement. The Parties acknowledge and agree that if the Commission fails to approve this Agreement in its entirety, the Parties reserve all rights to pursue all issues related to this proceeding in the appropriate forums.

8. The Parties agree that this Agreement binds the parties, their successors, and their assigns.

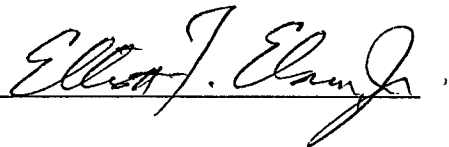
WE SO AGREE:

Sigfield Water Company, Inc.

By: 

Date: Aug 27, 1999

Consumer Advocate

By: 

Date: 8-27-99

APPENDIX A

SIGFIELD WATER COMPANY, INC.
2911 WAVERLY DRIVE
SUMTER, SC 29150
(803) 481-3504

DOCKET NO. 97-131-W
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COMMISSION GRANTS CUSTOMER THE OPTION OF PAYING ANNUALLY OR MONTHLY.

WATER SERVICE

Residential

Annual Service Charge – Flat Rate _____ \$408.00

Or

Monthly Service Charge – Flat Rate _____ \$ 34.00

SCHEDULE OF OTHER CHARGES

Residential & Commercial

Tap Fee _____ \$500.00

Commercial Monthly Rates

$\frac{3}{4}$ " Tap

Basic Charge _____	\$ 83.00
1 st 2000 gals. _____	\$ 3.00/m
Next 3000 gals. _____	\$ 3.18/m
All over 5000 gals. _____	\$ 3.35/m

1" Tap

Basic Charge _____	\$123.00
1 st 2000 gals. _____	\$ 3.00/m
Next 3000 gals. _____	\$ 3.18/m
All over 5000 gals. _____	\$ 3.35/m